

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 COME-00 STR-04 INT-05

SP-02 AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 OMB-01

CEA-01 XMB-02 OPIC-03 IGA-02 OES-03 L-03 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 FEA-01

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R 131710Z FEB 76

FM AMCONSUL CASABLANCA

TO SECSTATE WASHDC 3941

INFO AMEMBASSY LONDON

AMEMBASSY RABAT

C O N F I D E N T I A L CASABLANCA 0193

E.O. 11652: GDS

TAGS: EINV ENRG MO

SUBJ: ESSO-GOM DISPUTE

1. SNPP'S DOUEIB TOLD ME TODAY THAT HE IS VERY OPTIMISTIC THAT ESSO CASE IS NEAR SETTLEMENT. AFTER CONVERSATION WITH MINCOMMERCE GHISSASSI ON SATURDAY, FOLLOWING LATTER'S MEETING WITH ROOT OF ESSO AFRICA, DOUEIB THINKS AGREEMENT IS "80 PERCENT" CERTAIN. HE SAYS BOTH HE AND GHISSASSI BEING REPEATEDLY URGED BY FONMINISTRY AND PRIMINS OFFICE TO SETTLE THE CASE AND ESSO REPS EXPECTED TO RETURN IN MID-MARCH FOR FURTHER NEGOTS.

2. ACCORDING TO DOUEIB, ESSO IS PREPARED TO ACCEPT PAYMENT IN TREASURY BONDS AT ESTABLISHED INTEREST (5 1/2 PERCENT) WHICH WAS A MAJOR POINT OF CONTENTION. (NO MENTION OF EXCHANGE RATE GUARANTEE PROBLEM). PRIMARY ISSUE LEFT FOR RESOLUTION IS ACTUAL PURCHASE PRICE. HE DOES NOT THINK VALUE OF TRADE MARK WILL BE AT ISSUE BECAUSE ESSO PREPARED TO LEAVE ITS NAME HERE, AT LEAST ON SPECIALTY PRODUCTS IT SUPPLIES, AND TO CONTINUE FULFILL AVFUEL CONTRACTS HERE THROUGH THE MOROCCAN COMPANY. GOM IS CONFIDENTIAL

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APPARENTLY PREPARED TO BUY 100 PERCENT OF ESSO THEN NEGOTIATE

WITH ONE OF THE OTHER COMPANIES HERE TO TAKE 50 PERCENT TO
BRING COMPANY INTO CONFORMITY WITH MOROCCANIZATION PATTERN.

3. DOUEIB IS RELAXED AND APPARENTLY QUITE HAPPY WITH THE
STATE OF MARITAL BLISS IN THE SNPP-OIL COMPANY MARRIAGE.
SEVERAL MERGERS AMONG SMALLER COMPANIES (AGIP-BP AND TOTAL-ATLAS)
ARE NEAR COMPLETION. INDUSTRY PROFITS FOR 1975 ARE UP AND NEGOTS
FOR LEVEL OF DIVIDENDS VERSUS REINVESTMENT PROCEEDING SAT-
ISFACTORILY. HE CLAIMS ALSO A NUMBER OF ECONOMIES ACHIEVED
THROUGH UNIFYING FUNCTIONS IN SNPP (E.G. NEGOTIATING BANK
CREDIT FOR ALL COMPANIES, INTEGRATED IMPORT OF SPECIALTY
PRODUCTS). HE SAYS THERE IS FREEZE FOR FIVE YEARS ON
OPENING NEW RETAIL OUTLETS TO PERMIT EXISTING STATIONS TO
REACH A MORE EFFICIENT AND PROFITABLE VOLUME OF BUSINESS AS
MARKET EXPANDS.

4. DOUEIB'S VERSION OF ESSO POSITION AND STATE OF NEGOTS
SEEMS CONSIDERABLY MORE UPBEAT THAN ROOT'S (RABAT 789). WE
WOULD BE INTERESTED IN ANY REACTION OBTAINED FROM INFORMED
EXXON SOURCES, SINCE THERE APPEARS TO BE QUITE A DISPARITY.
BRUBECK

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